

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 318th
MEETING OF THE BOARD OF COMMISSIONERS July 31, 2008**

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on July 31, 2008 at 9:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David A. Duffy, Commissioners, Dale Venturini, Jeff Hirsh, Dave Gavitt, Patrick Butler, Bernie Buonanno, Bill Daugherty, Jason Fowler, Paul MacDonald and Marianne Corr.

Mr. Nee was unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso and Kerrie Bennett, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Tim Muldoon, John McGinn, Deb Tuton and Nancy Beauchamp, SMG/RICC; Larry Lepore, Kym Chevia and Eleanor SanAntonio, SMG/DDC; Larry Bacher and Jennifer Lundquist, Gilbane; Eric Ahlborg, ABM; Tom Mullaney, Budget Office; Lou Aurelio, Sportservice; Bob Bromley, Senate Fiscal Office; Chantale Sarrasin, House Finance; Norm Benoit, Partridge, Snow & Hahn; PJ Prokop, Norbert Mongeon, Alan Chille, Stephen Hahl and Lynn Singleton, PFM/PPAC/VMA; Steve Maceroni and Maureen Gurghigian, First Southwest; Ed Anderson, guest and Eileen

Smith, Recording Secretary. CALL TO ORDER

Recognizing a quorum, Chairman Duffy called the meeting to order at 9:02 a.m.

APPROVAL OF MINUTES

Chairman Duffy entertained a motion to accept the minutes of the 317th meeting, June, 2008. Upon a motion duly made by Mr. MacDonald and seconded by Ms. Venturini it was unanimously VOTED: to approve the minutes as distributed

Chairman Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail.

Mr. Duffy called for nomination of officers. Ms. Corr nominated the following Commissioners as officers of the Authority. Mr. Buonanno seconded the nominations.

David A. Duffy – Chairman

David Gavitt – Vice Chairman

Jeffrey Hirsh – Treasurer

Paul MacDonald – Secretary

Chairman Duffy asked if there were any other nominations. Hearing none he called for a vote. It was unanimously

VOTED: to elect David Duffy, Chairman, David Gavitt, Vice Chairman, Jeffrey Hirsh, Treasurer and Paul MacDonald Secretary

Mr. Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill reported that for the month of June, Convention Center net income was \$85,321 to budget but (\$52,392) to the prior year. Year to date net income was positive \$218,784 to budget but (\$64,099) to the prior year. Mr. McCarvill noted that net income exceeded budget expectations by 8.8% and was only 2.3% lower than their best year, 2007. Mr. McCarvill stated that for the month of June the Dunkin' Donuts Center net income was (\$85,632) to budget and (\$24,075) to the prior year. Year to date net income was (\$338,521) to budget but \$603,512 better than the prior year. Mr. McCarvill noted that the unfavorable monthly variance is due mostly to the Professional Bull Riders event that was budgeted but did not occur. Mr. McCarvill reported that net income for the Convention Center Authority was (\$243,706) to budget and (\$655,807) to the prior year. The year to date variance of (\$346,712) to budget was due to the difficulty with the variable rate bond remarketing and associated unbudgeted interest and (\$580,936) to the prior year is the result of \$1.5 million that was not received. Mr. McCarvill stated that consolidated net income for the month of June was (\$244,016) to budget and (\$14,595) to the prior year. Year to date consolidated net income was (\$466,446) to budget and (\$39,187) to the prior year.

Mr. McCarvill noted that a resolution authorizing the Authority to

refund the 2001 Series A Bonds and issue Refunding Revenue Bonds, 2008 Series A was distributed at the committee meetings on Tuesday.

Mr. McCarvill explained that with current market conditions our financial consultants and bond counsel have advised that the Authority refund the 2001 Series A variable rate bonds in favor of new 2008 Series A fixed rate bonds. Mr. Benoit briefly summarized the bond market and the effect that the downgrading of MBIA has had on our remarketing agents' ability to sell the 2001 Series A Bonds. Mr. Benoit noted that Dexia is holding the bonds and will do so for a short period of time. Mr. McCarvill stated that we had insured the bonds with MBIA. Mr. Duffy asked what would happen if we don't insure the new bonds. Mr. Maceroni said that it might not make sense to insure. Mr. Duffy asked if not insuring was the trend. Mr. Benoit said that other agencies are having the same issues because of the downgrading of MBIA. Mr. Duffy asked for a motion authorizing the refunding bonds. Upon a motion duly made by Mr. Hirsh and seconded by Mr. Fowler it was unanimously

VOTED: That the Authority adopt the Series Resolution authorizing the Authority's

Refunding Revenue Bonds, 2008 Series A as presented by Bond Counsel, a copy of

which resolution is in our meeting books

CONVENTION CENTER COMMITTEE

Ms. Corr asked Mr. Muldoon to update the Board on operations at the Convention Center. Mr. Muldoon reported that Summer projects are moving along. A few new items were added this year including high dusting and cleaning of the lenses in the chandeliers. Window cleaning will begin at the Convention Center the first week in August but the Dunkin' Donuts Center window washing will be delayed until just prior to the grand re-opening. Mr. Muldoon was pleased to report that dry trash recycling was up 92% for fiscal year 2008 for significant savings for trash disposal. Mr. Muldoon noted that parking is up over \$125,000 over due mostly to the increase in the monthly parking rate. Mr. Duffy asked if there has been any negative impact due to car pooling. Mr. Muldoon said that the number of parkers is holding steady. Mr. Gavitt said that it is his understanding that RIPTA is not pushing mass transit. Mr. Duffy stated that RIPTA receives a great deal of its funding from the gas tax. Mr. Buonanno said that he was pleased that we are holding our own because he has noticed that busses appear to be more crowded.

VMA

Mr. Duffy asked Mr. McCarvill to update the Board on the VMA. Mr. McCarvill explained the complicated VMA project. He noted that there are seven parties involved in the deal including the State Properties Committee, the hotel, the hotel's lender, The Department of Administration, the VMAF, the Refunding Bond Authority and the Authority. Mr. McCarvill stated that we were asked to take over but

we do not have the expertise to run a theater in-house and therefore are proposing an agreement with PFM. Mr. McCarvill noted that Gilbane was asked to look at the building from a capital improvement standpoint and give us some ideas on what should be done now and what can be done in the future. Mr. McCarvill noted that the Properties Committee had signed off on the Authority assuming the Veterans Memorial Auditorium Foundation's lease with the Rhode Island Refunding Bond Authority and the State. Mr. Gavitt asked who we would be purchasing the building from. Mr. McCarvill answered that the purchase would be from the Refunding Bond Authority. Mr. Gavitt wanted a ball park figure on the cost to the Authority. Mr. McCarvill said approximately \$2,000,000 for the building only. The theater is part of a condo arrangement therefore the land is not part of the package. Mr. Duffy reminded the Board that this is only a one year lease which gives us time to do our due diligence. Mr. Gavitt asked if the State would approve the borrowing of \$2,000,000 for the facility. Mr. Duffy responded that a Kushner hearing would be needed to raise our debt ceiling. Mr. Fowler noted that the theater has been not for profit in the past and asked if it would remain so. Mr. McCarvill said that the not for profit status would remain but we want to show an operating profit. Mr. Duffy introduced Lynn Singleton, President and CEO of PPAC, PJ Prokop, Director of Marketing for PPAC/PFM, Norbert Mongeon, Vice President and Treasurer, PPAC/PFM and Alan Chille, General Manager. Mr. Singleton addressed the Board and said that he tips his hat to Mr. McCarvill for getting seven different entities to agree. He said that we have a year

to figure out what the theater needs and how to make it profitable while maintaining its dedication to the arts. Mr. Singleton noted that PPAC/PFM have a professional reputation at stake. He said that PPAC/PFM know how to run theaters, can create and drive activity and give the building some soul. Mr. Singleton stated that the asset is being under utilized. He said that new management would put shows in the theater and sell tickets. Mr. Singleton noted that a General Manager had been hired. He said that Steve Hahl, formerly of Twin River, has agreed to take on this project. Mr. Hahl has met with the hotel and thinks that we can make a difference very quickly. Mr. Duffy noted that there are nay sayers for this building as there were for the Dunk. He said that this is the right thing to do. Norbert Mongeon commented that PPAC and the VMA are complimentary facilities. There have been instances where an opportunity presents itself for PPAC that would be a perfect match for the VMA. Ms. Venturini said that she understands that the building has been inaccessible to many users and asked if something could be done to open the doors. Mr. Singleton said that they would reach out to the community and invite people to visit the theater. Mr. Duffy said that we need to support the arts. Conversations ensued regarding ticket sales. Mr. Singleton stated that running a deficit at the theater is not acceptable. He said give us six months and we will be able to tell you where to spend the money for a return on the investment. Mr. Gavitt asked Mr. Singleton why they wouldn't want to work with the VMAF. Mr. Duffy responded that the VMAF wants out. Mr. McCarvill noted that the prior theater management was not doing the job on the

fundraising side and it would be a risk for PFM. Mr. Duffy summarized the discussion and reminded the Board that we are being asked to try this for one year. Mr. McCarvill explained what was being asked for today and noted that there could be an opportunity for significant revenue. Upon a resolution read by Mr. Daugherty and seconded by Mr. Buonanno RESOLVED: That to effectuate the Authority's operation of the Veterans Memorial Auditorium, the office building in which it is part, and the adjacent parking lot the Authority shall assume the Veterans Memorial Auditoriums Foundation's lease with the Rhode Island Refunding Bond Authority and the State of Rhode Island, as amended, assume certain of the Foundation's contractual obligations as to the operation of the Auditorium, and purchase the Foundation's personal property for the sum of \$66,000, payable by a two year promissory note, and Executive Director's actions in executing an assignment of the Lease, and assumption of certain of the contractual obligations of the Foundation, the promissory note, and an acknowledgement as to the rights of the owner of the Providence Renaissance Hotel and its Lender as to any subsequent changes to the Lease, and other documents in connection therewith are hereby ratified and confirmed, and the Executive Director and Chairman are authorized to do those actions which they deem in the Authority's best interest to accomplish the goal of the Authority acquiring from the State of Rhode Island the property, the Chairman being authorized to execute such additional documents as may be necessary to move the matter forward. It was

VOTED: by Chairman David Duffy, Commissioners, Dale Venturini, Jeffrey Hirsh, Patrick Butler, Bernard Buonanno, William Daugherty, Jason Fowler, Paul MacDonald and Marianne Corr to approve the resolution as read by Mr. Daugherty.

Mr. David Gavitt voted no to the resolution.

Commissioner Daugherty continued with the second resolution seconded by Mr. Fowler.

RESOLVED: That the Authority enter into a Management Agreement with Professional Facilities Management, LLC for it to manage for the Authority the Veterans Memorial Auditorium, the Agreement to be on such terms as the Executive Director and Chairman deem in the best interest of the Authority, the Chairman being authorized to execute such Agreement on behalf of the Authority. It was unanimously

VOTED: to approve the Resolution as read by Mr. Daugherty

DUNKIN' DONUTS CENTER

Mr. Buonanno reported that the Dunkin' Donuts Center Committee had met on Tuesday. He asked Mr. Lepore to address the Board. Mr. Lepore noted that the Dunkin' Donuts Center is making a concerted effort with recycling. He said that the building would be "Green" certified in September. Mr. Lepore reported that many artists are concerned with the environment and recycling is important to them.

Mr. Lepore acknowledged the presence of Ed Anderson at the meeting. Mr. Anderson announced that the Boston Celtics had agreed to play a pre-season game at the Dunk. Mr. Anderson noted that the last time the Celtics were here was when Dave Gavitt was GM. Mr. Lepore reported that plans for the ribbon cutting and the public celebration are coming together. Mr. Lepore announced a new show, So You Think You Can Dance. He expects the show will do well because of this market and the fact that it is a TV show. November 3rd is the date of the show. Mr. Lepore also noted that New Kids on the Block will also be here in November. Mr. Lepore reported that he is very pleased with the quality of the risers provided by Track. He said that the bowl looks impressive. The isles are lighted and the seats will be numbered. Mr. Lepore said that he expects a large turnout for the public celebration. Mr. Bacher reported that the building will be finished by the re-opening. He said that the seat installation is progressing and work has begun on the team store. Mr. Bacher reported that exterior painting is 35% complete and that 43 tradesmen are on site. Ms. Bennett noted that the exterior painting looks great. She reported that a new call for public art proposals has been posted. Ms. Bennett reported that she is waiting for the construction drawings for the War Memorial from Ellerbe Becket.

Mr. McCarvill reported on conversations that have taken place with Dunkin' Donuts and Sportservice. He said that the concept is for Sportsevice to run the inside points of sale with a stand alone Dunkin' Donuts Store outside the concourse near the team store that

would be a Dunkin' Donuts franchise store. Mr. McCarvill noted that there would be three points of sale on the concourse, two portable stands and a renovated existing concession stand. Mr. McCarvill noted that there was some discussion on naming rights. He reported that it was a very good meeting.

MARKETING COMMITTEE

Ms. Venturini reminded the Commissioners that the next Marketing Committee meeting would be held on August 21st at noon. She said that Marketing Plans would be presented from the Complex and the CVB. Ms. Venturini invited Mr. Hahl to attend. Ms. Venturini reported that the web site development issue was still being discussed and a revised RFP would be issued. She asked that a representative from PPAC participate in the sub committee because the VMA should be included in our web site. Mr. Muldoon reported on significant opportunities for the Convention Center. He stated that the Bay Colony Dog Show has shown a great deal of interest in relocating to the Convention Center. Mr. Muldoon also reported that the sales team has been working with the Westin to secure an electronics event for late August. Ms. Schadone was pleased to report that a WWE event will be filmed from the Dunk and shown on national television. Ms. Schadone stated that there will be a first run Disney Show from September 17th to the 21st. Ms. Schadone reported that the staff is working very hard on the public celebrations. She noted that representatives from the National Guard, Providence College,

Providence Bruins, the Circus, Harlem Globetrotters, Monster Trucks and the New England Patriots will be here to meet and greet the public. Ms. Schodone said that the media will sponsor give aways and the NBA Championship trophy will on display. Ms. Schadone said that advertising will begin on August 11th. Mr. Fowler asked if parking would be included in the advertising. Ms. Schadone said it would be included in the print media. Ms. Bennett noted that flyers would be put in all Dunkin' Donuts Stores. Mr. MacDonald voiced the appreciation of the Board for all the hard work that is being done by the staff. Ms. Schadone announced that Kym Chevian would be leaving her position at the Dunk to pursue her acting career in New York. The Board wished her great success and stated that Kym will be missed by all.

Mr. Duffy asked if there was any new business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. Hirsh it was unanimously

VOTED: to adjourn at 10:40 AM